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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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AUG 17 1998

In the Matter of)
)
Access Charge Reform for)
Incumbent Local Exchange)
Carriers Subject to)
Rate-of-Return Regulation)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
CC Docket 98-77

Comments of General Communication, Inc.

General Communication, Inc. (GCI) hereby submits comments in response to the Notice of Proposed Rulemaking (Notice)¹ issued in this matter.

Introduction

The Commission proposes to amend the access charge rules for rate-of-return local exchange carriers (LECs) in a manner similar to that adopted for price cap LECs. In reaching this conclusion the Commission correctly states "that our mandate from Congress directs us to foster the delivery of the benefits of competition to consumers throughout the country, and not only to those living in the most densely populated areas . . ."² The Notice states that the two groups of carriers incur costs in the same manner and similar economic principles should apply. Any differences between price cap carriers and rate-of-return carriers are inconsequential. The Commission notes that universal service issues for these

¹Access Charge Reform for ILECs Subject to Rate-of-Return Regulation, FCC 98-101, released June 4, 1998.

²Id paragraph 1.

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carriers will be determined in a later proceeding. In the interim, the amount of universal service support for rural LECs will be maintained initially at existing levels and should increase in accordance with specified factors, such as inflation that have historically guided changes in such support. GCI urges the Commission to adopt the proposed access reform for rate-of-return LECs.

I. Access Charge Reform is Critical in all Areas of the Nation, Including Rural Alaska

Access charge reform is important for rate-of-return ILECs. It may even be more important in those areas where unbundled network elements are not available. Access charge reform is important to LECs that will face competition, but it is also very important to interexchange carriers that pay access charges and already face competition. Interexchange competition exists in the rural areas where unbundled network elements remain unavailable by misguided regulatory fiat and ILEC recalcitrance.³ In those locations, interexchange carriers may not ever have the unbundled network elements available as an alternative means of access. Such carriers need access charge reform even more than do carriers that can use unbundled elements as a means of access, at least for their own local customers.

Interexchange competition is now available in very rural

³The Alaska Public Utilities Commission (APUC) has refused to lift the rural exemption granted under 251(f) of the Telecommunications Act of 1996 for Century/PTI in Fairbanks and Juneau, the second largest city and the state capitol, because the APUC and the Commission have not reformed access charges and universal service for rate-of-return ILECs.

areas. As discussed below, competition in these areas is the very best means to ensure high quality service at low rates. To the extent that the Commission neglects access charge reform in these areas, interexchange competition will suffer.

The importance of fostering competition in rural areas is vividly demonstrated by recent history as documented in the Alaska Joint Board proceeding.⁴ Alascom, Inc. had exclusive authority to serve rural "bush"⁵ Alaska for over twenty years, and Alascom received tremendous subsidies over that period. Nonetheless, the citizens that live in the locations where Alascom had exclusive authority receive the worst quality interexchange telephone service in Alaska. Some of the same earth stations with analog technology that were installed in the late 1970's and early 1980's are still in service, even though Alascom received over \$1 billion in subsidies to provide service.⁶ Voice communications is difficult between these location, and it is sometimes impossible to send faxes between them because of the antiquated technology. Due to the lack of competition or even the threat of competition, service to those locations is disastrous.

⁴Integration of Rates and Services, 9 FCC Rcd 3023 (1994), adopting Final Recommended Decision, 9 FCC Rcd 2197 (1994).

⁵The Alaska bush is defined as places with less than a thousand people not accessible by road with an existing MTS earth station. Policies Governing the Ownership of Domestic Satellite Earth Stations in the Bush Communities of Alaska, 96 FCC 2d 522, 541 (1984).

⁶AT&T Alascom has recently upgraded many of these facilities, only after losing the subsidy and facing real facilities based competition.

GCI fought for over five years to open bush Alaska to competitive interexchange service.⁷ Over that period, GCI worked with Scientific Atlanta to develop a low cost, easily upgradeable, small DAMA earth station to improve service to the Alaska bush. Finally, the Commission and the Alaska Public Utilities Commission granted GCI a partial waiver to allow GCI to deploy and operate up to 50 DAMA earth stations in rural Alaska.⁸ The mere threat of competition from GCI has produced benefits for telephone service in rural Alaska that had not been accomplished in 20 years of subsidized, monopoly service.

This history should remind the Commission that competition is as important in rural areas as in urban areas. Indeed, rural areas may have the most to gain from competition, because these are the areas that do not always have the same services available as urban areas.

The importance of this lesson for the current proceeding should be evident: interexchange competition is important in all areas. Access charge reform is important to interexchange competition. Access charge reform for non-price cap LECs should be implemented promptly. The Commission should adopt the same structure that it adopted for price cap ILECs. GCI, a regional long distance carrier, is forced to compete against nationally averaged rates of AT&T. AT&T has received some access reduction

⁷GCI Petition for Rulemaking, RM-7246, filed January 10, 1990.

⁸Petition of General Communication, Inc. for a Partial Waiver of the Bush Earth Station Policy, File No. 122-SAT-WAIV-95, released January 30, 1996.

from the areas served by price cap ILECs. Therefore, GCI's current access costs are overall much higher than national carriers. To alleviate this problem, the Commission should adopt the access charge system implemented for the price cap ILECs for rate-of-return ILECs.

II. The Commission Should Require the ILEC To Inform the IXC the Type Of Customer Served

The Commission proposes to adopt PICCs charges. For purposes of assessing a correct PICCs on the end user, the Commission should require all ILECs to inform the interexchange carrier as to what type of line is being served: primary residential, second line residential or business line. Not knowing the status of the line will cause the incorrect assessment to be made on the interexchange carrier. The ILEC should be required to provide complete and accurate information regarding all lines presubscribed to the IXC to support bills for PICCs. The information should include, at a minimum, a complete list of all ANIs presubscribed to the IXC, and each line should be designated as residential primary, residential secondary and business. This will enable the IXC to properly assess the correct amount on each type of line.

III. The Rate-of-Return ILECs Should Adopt the Same System

Throughout the Notice, the Commission outlines several issues advocated by the rate-or-return ILECs and their trade association regarding the differences between price cap carriers and themselves. For example, NECA and USTA claim that price cap carriers will cherry pick large customers from neighboring rate-of-return ILECs. In reality, the price cap carrier now has more

incentive when access charges are high in these markets to serve large customers. The large customer would represent more access revenue for the price cap carrier without reform than with access reform. The Commission confirms this analysis in the Notice.

In particular, these companies fear that the rate structures and levels mandated by our current access rules make their most lucrative customers, those that make many long distance calls, especially vulnerable to competing offers from new entrants.⁹

The Commission also seeks comment on the impact of reform for small and rural ILECs not subject to competition. As outlined above, reform for carriers not subject to competition may be even more important than carriers subject to competition. Due to averaging requirements, IXCs are disadvantaged in serving these areas due to their high access costs. In some instances, current retail interstate rates do not cover the access costs paid in these areas, much less the costs of the IXCs themselves. IXCs can control their own costs but have little or no ability to control the escalating access costs of the small rate-of-return carrier not subject to competition. All rate-of-return ILECs should adopt the same system as adopted for the price cap ILECs.

IV. The Commission Should Adopt A More Prescriptive Approach To Access Charge Reform

The Commission should not implement pricing flexibility for these ILECs until there is actual and real competition.

⁹Notice, paragraph 2.

The mere existence of an interconnection agreement does not signify true and real competition. It certainly opens up the possibility of true competition developing. However, it does not happen overnight.

Many companies are in the process of negotiating or arbitrating an interconnection agreement with many ILECs. However, none has satisfied fully the move to true competition. Mere access to resale and unbundled network elements by themselves will not achieve full competition. They have not enabled CLECs to function as an actual competitor. Just because an agreement has been signed by both parties does not ensure proper implementation by the ILEC.¹⁰

The Commission should reward ILECs that support a competitive environment through their actions with measured deregulation over time. The Commission cannot predetermine that deregulatory moves should be implemented until it can see the marketplace actually work.

V. The Commission Should Not Mandate Recovery of ILEC Historical Embedded Costs

The Commission states that it will address universal service issues in a different proceeding. However, the Commission should not imply in any way in this proceeding that

¹⁰GCI has experienced this with Anchorage Telephone Utility (ATU). ATU has not performed under the interconnection agreement and subsequent arbitration decisions. Until recently, GCI had been paying \$350,000 a month in addition to all nonrecurring charges for ATU employees to switch customers and loops from ATU to GCI. Other illegal act are outlined in the attached GCI Opposition to Petition of Waiver.

the ILECs will be reimbursed for the difference between revenue generated by access charges based on embedded costs versus access charges based on forward looking costs. In the past, the ILECs have supported full cost recovery, while at the same time arguing for flexibility that will allow them to charge anything they want. GCI opposes any special recovery mechanisms.

As outlined in the comments of the State Advocates in the access charge reform proceeding for price cap ILECs,

Utilities are not entitled to recover costs that have become uneconomic due to competitive pressures. In Duquesne Light Co. v. Barasch, 488 U.S. 299 (1989), the Supreme Court held that a "scheme" of utility regulation does not "take" property simply because it disallows recovery of capital investments that are not "used and useful in service to the public," even where it excludes costs that were prudent and reasonable when made. 488 U.S. at 301-02.

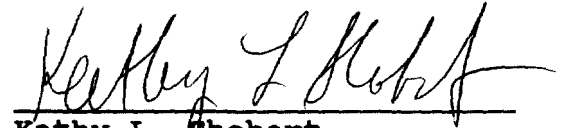
GCI agrees that the ILECs cannot be made whole in a competitive environment.

Conclusion

Access charge reform is as important to rural areas as it is to urban areas. The Commission should proceed to access charge reform for non-price cap LECs promptly.

Respectfully submitted,

GENERAL COMMUNICATION, INC.



Kathy L. Shobert
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August 17, 1998

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed August 17, 1998.

A handwritten signature in cursive script, appearing to read "Kathy L. Shobert", written over a horizontal line.

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

**Federal Communications Commission
Office of Secretary**

In the Matter of)
)
ATU Telecommunications) CCB/CPD 98-40
Request for Waiver of Sections)
69.106(b) and 69.124(b)(1))
of the Commission's Rules)

TO: Common Carrier Bureau

Opposition to Petition for Waiver

General Communication, Inc. (GCI) hereby ~~opposes~~ the Petition for Waiver filed by ATU Telecommunications (ATU).¹ For the reasons outlined below, the Commission should deny the ~~waiver~~ request.

Introduction

GCI provides competitive long distance service in Alaska and competitive local exchange service in Anchorage in competition with ATU. However, competition for local service in Anchorage has been constrained. ATU has constructed many delays in implementing its obligations under the Telecommunications Act of 1996 (Act) and the interconnection agreement it signed with GCI pursuant to the Act. GCI addresses the following issues regarding ATU's unlawful activities: (1) lack of adequate network trunking between ATU's and GCI's

¹ATU Telecommunications Petitions Commission for Wavier of Commission Rules to Offer Term and Volume Discounts for Switched Access Service, DA 98-1229, released June 24, 1998.

network; (2) inadequate access to ATU's operational support system; (3) non-payment for shared access; (4) non-payment for reciprocal compensation for local traffic; (5) lack of network notification; and, (6) an interstate access tariff that restricts competition.

I. Network Trunking

GCI has constructed its own facilities to compete head to head with ATU for local exchange services. In that effort, GCI has constructed a fiber ring around Anchorage to serve its local and long distance customers at a cost of over \$15 million. Unfortunately, GCI has been unable to fully utilize its fiber facility because ATU has refused to provision interconnecting trunks from ATU facilities to the GCI fiber thereby stopping GCI from being able to control its own trunking cost. Without these trunks there is no competition for access. Due to the lack of network trunking, every call must go over ATU's network, even where GCI has facilities.

For over six months, GCI has had trunk orders pending at ATU which have been delayed repeatedly because of ATU intransigence. First ATU stated that they did not have the equipment to terminate the trunks, nor did they have the money available in the budget to purchase the equipment. GCI then offered ATU a \$220,000 interest free loan to purchase the equipment with payback in foregone rates over a two year period. ATU refused the loan stating that they did not like the idea of a loan. However, they stated that they would accept a gift of \$220,000.² Finding this

²By receiving a gift of the money instead of a loan for the equipment, ATU would charge GCI transport rates for GCI traffic flowing over the equipment which had been purchased with money from GCI.

unreasonable, GCI then offered to purchase and maintain the equipment at the GCI collocated facilities and hand off trunks at a DS-1 level (requiring no equipment purchase for ATU) if ATU would agree to bill GCI at the virtual DS-3 rate contained in the interconnection agreement for local traffic only.³ After much pondering, ATU finally accepted GCI's offer to buy and install the necessary equipment and agreed to an installment schedule.⁴ However, ATU continues to refuse to commit to billing GCI at the DS-3 for exchange access traffic even through this arrangement was made at ATU's insistence. Finally, ATU has yet to connect any GCI trunks to the GCI fiber. This delay has cost GCI over \$300,000 in the last six months. This delay has also made it impossible for access competition to occur. Without the necessary trunking between the networks, GCI must put all its access minutes over the ATU network and share the access rate with ATU. Until adequate trunking is established, there will be no access competition with ATU.

II. Inadequate Access to ATU's Operational Support System

In the interconnection agreement, ATU agreed to give access to the "systems, including the necessary hardware, software and databases, used in the ordering, provisioning, maintenance, testing, billing and updating of other network databases. See Exhibit I."⁵ The agreement further fleshes out the definitions and support system

³Without purchasing equipment, ATU can only handle trunks at the DS-1 level. GCI requested that it be charged at the lower DS-3 level since it is capable of offering DS-3 level trunks to ATU.

⁴GCI is wary of the schedule since every other deadline established by ATU in the past has been missed.

⁵GCI/ATU Interconnection Agreement, page 2 (attached hereto).

that ATU will follow in providing GCI with access to its OSS. The Alaska Public Utilities Commission (APUC) has enacted rules that require ATU to transfer local service customers from ATU to GCI within 7 working days after ATU receives a valid order for service.⁶ GCI has over 300 orders for residential customers that have been pending for more than 7 days. This backlog is growing on a daily basis.⁷ ATU is processing approximately half the orders GCI sends to ATU on any given day. This is particularly glaring due to the fact that GCI is paying contract employees at ATU large sums of money (approximately \$350,000 per month) to have ATU employees dedicated to processing GCI orders. This is in addition to the non-recurring charge paid by GCI for these switchovers to occur. In essence, GCI is paying twice for one service to be performed and ATU is falling far behind in completing the order processing. The number of valid orders ATU has been able to complete has substantially dropped off over the last several months. ATU is processing less than half of the orders they processed earlier this year. GCI has repeatedly tried to work with ATU to resolve these problems - only to be told that they hope to reduce the backlog by the fall. This backlog and delay has caused GCI great harm in the marketplace. GCI has signed up many customers for local service. However, most customers are frustrated by the amount of time it takes for the switchover to occur. Numerous customers have consequently cancelled service with

⁶See 3 AAC 53.290(g).

⁷GCI believes that ATU does not have a backlog for customers switching from either GCI or AT&T to ATU, in violation of the parity provisions.

GCI. Further, GCI customer service representatives have had to deal on a daily basis with complaints from these customers. This severely impacts GCI's reputation in the marketplace.

To alleviate these issues, GCI has repeatedly asked ATU to discuss completion of an electronic interface. However, the system currently being used by ATU could not be upgraded to perform these services. ATU has apparently purchased another system.⁸ ATU is not working with GCI to provide a workable electronic solution. The Commission has used the 271 process to hold the RBOCs to the required OSS interface. The Commission should not allow ATU pricing flexibility until GCI receives workable electronic OSS interfaces so that the disparity to provide service to GCI and itself will be eliminated.

III. ATU is Not Paying Reciprocal Compensation

The arbitrated interconnection agreement of GCI and ATU calls for reciprocal compensation to be paid for local calls exchanged between the networks. ATU has not paid GCI any reciprocal compensation for any local calls. They have also pleaded that internet calls are not local in nature, contrary to Commission policy. In its recent access charge filing, ATU confirms that it is mischaracterizing Internet minutes.⁹ Internet service providers purchase business lines from a local tariff. Under the

⁸GCI has not been informed of this purchase as required by the network notification rules. This issues is discussed more fully below.

⁹See GCI's Petition to Reject or in the Alternative to Suspend and Investigate, ATU 1998 Annual Access Filing, Transmittal No. 97, filed June 29, 1998 and attached hereto.

separations rules, the traffic, costs and revenues must follow the jurisdiction where the service is tarified. The separations manual is very specific. Pursuant to the glossary of terms under Part 36 of the Commission's rules, separations is defined as "the process by which telecommunications property costs, revenues, expenses, taxes, and reserves are apportioned among the operations" and operations is defined as "the term denoting the general classifications of services rendered to the public for which separate tariffs are filed, namely exchange, state toll and interstate toll." Therefore, the "costs, revenues, expenses, taxes and reserves" must follow the appropriate tariff. The business lines provisioned for Internet Service providers (ISPs) are sold under the local tariff. It is not tarified at the FCC. Under separations, the revenues, costs, and minutes must fall in the same place. The Separations Manual further states that "the fundamental basis on which separations are made is the use of telecommunications plant in each of the operations"¹⁰ and that the costs are apportioned among operations and "amounts of revenues and expenses assigned each of the operations" (i.e., each of the tariffs)"are identified as to account classification." ¹¹

Under current rules, ISPs or enhanced service providers (ESPs) are treated as end users. These end users pay for "local business lines for access for which they pay local business rates and subscriber charges."¹² The Commission has recently

¹⁰47 CFR Section 36.1(c).

¹¹47 CFR Section 36.1(g).

¹²Amendment of Part 69 of the Commission's Rules Relating to Enhanced Service Providers, 3 FCC Rcd 2631, 2635 (1986).

affirmed this policy in its Access Reform proceeding.¹³ ATU has refused to recognize that Internet traffic is local under the separations rules and has refused to pay GCI reciprocal compensation for this traffic pursuant to the ATU-GCI interconnection agreement.¹⁴

IV. ATU is Not Sharing Access Revenue With GCI

Pursuant to Commission order, incumbent local exchange carriers (ILECs) must share access revenue with a competitive local exchange carrier (CLEC) when the carriers jointly complete a toll call. GCI is providing local service to its customers and completes the toll call to GCI customers. ATU has illegally withheld payments due to GCI for access.

V. Network Notification

ATU has not given proper notice to GCI for any network changes. Pursuant to the Commission rules and the GCI-ATU interconnection agreement, ATU is obligated to provide GCI with notice regarding any network change that will affect GCI's performance or ability to provide service of ATU;s interoperability with other service providers. This notice is required to be given to GCI under the interconnection agreement pursuant to Commission regulations. Pursuant to Section 51 of the Commission's rules, an ILEC "must provide public notice regarding any network change that: (1) will affect a competing service provider's performance or ability to provide service; or (2) will affect the incumbent ILEC's interoperability

¹³Access Charge Reform, 11 FCC Rcd 21354, 21478-80 (1996).

¹⁴GCI/ATU Interconnection Agreement, page 1 and Exhibit B.

with other service providers."¹⁵ The content of the notice and the timing of the notice is laid out in the Commission's rules.¹⁶ ATU has never given GCI the required notification even though GCI has repeatedly informed ATU of these requirements.

Specifically, ATU has not given notice of cable cuts, transferring service from one wire center to another or of transferring service from a wire center to a remote service area. ATU has agreed to monthly meetings regarding their delinquency on network notification issues but they are not complying with the Commission's rules. ATU should not be given any flexibility until they fully comply with these rules.

VI. The ATU Tariff Must Be Changed

ATU is requesting pricing flexibility while retaining anticompetitive provisions of its access tariff. ATU's Interstate Access Tariff F.C.C. No. 5 currently forces all carriers to incur entrance facility charges for trunks, even if carriers are collocated and the trunks are provisioned over the connecting carriers fiber. ATU's entrance facility charge is designed to recover the transport costs from the interexchange carrier's point of presence (POP) to ATU's serving wire center. ATU's outside plant associated with the interconnecting trunks makes up the greatest portion of the costs assigned to the rate element. GCI has installed fiber to each of ATU's wire centers and is collocated at each of the wire centers. Unfortunately, when GCI is able to trunk over its fiber for interconnection, ATU will still collect the entrance facility charge. If ATU is given the rate flexibility requested in this petition, then ATU

¹⁵47 CFR 51.325(a).

¹⁶47 CFR 51.325-335.

should be required to eliminate the entrance facility bottleneck and allow carriers to avoid this charge.

The entrance facility charge is a barrier to competition. In its pleading, ATU argues that "one of ATU's largest customers, AT&T Alascom is considering switching to ATU's facilities based competitor-General Communication, Inc.(GCI). GCI is able to offer volume and term discounts and other pricing incentives to AT&T Alascom."¹⁷ GCI is attempting to compete with ATU for Alascom's business, but with the bottleneck rate structures like the entrance facilities charge, there is no incentive for Alascom to use GCI's fiber facilities to access ATU because they still would pay the ATU entrance facility charge. The concept of a facilities based competitive access provider is extremely restricted when rate elements of the incumbent local exchange carrier are unavoidable.

¹⁷Petition at 2.

Conclusion

ATU should not receive any pricing flexibility until it fully complies with the Telecommunications Act, all relevant FCC and APUC regulations and its interconnection agreement. Its tariff must also be revised to remove anti-competitive provisions. Until these provisions are adequately addressed, local competition, particularly access competition, will not exist.

Respectfully submitted,

GENERAL COMMUNICATION, INC.

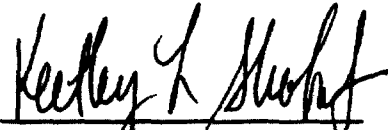


Kathy L. Shobert
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July 13, 1998

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed July 13, 1998.

A handwritten signature in black ink, appearing to read "Kathy L. Shobert", written over a horizontal line.

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INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") by and between GCI Communication Corp. ("GCICC") and the Municipality of Anchorage, doing business as ATU Telecommunications ("ATU") sets forth terms and conditions for interconnection of GCICC's facilities and equipment and ATU's facilities and equipment.

The effective date of this agreement is the date it is approved by the Alaska Public Utilities Commission ("APUC"), pursuant to 3 AAC 48.390 and/or 47 USC 252.

I. Purpose

- (a) The purpose of this Agreement is to delineate:
 - (i) How interconnection will be accomplished.
 - (ii) The terms and conditions controlling interconnection.
 - (iii) The rates, charges, and payment terms for interconnection.
See Exhibit A
 - (iv) Any general contractual conditions.
- (b) ATU and GCICC further understand that the Agreement is, at all times, subject to revisions by the APUC, FCC or other governmental authority, provided however, that, neither party will unilaterally seek to change the Agreement without also negotiating in good faith with the other.

II. Type of Connection

- (a) Interconnection and Reciprocal Compensation.
 - (i) Interconnection. GCICC will interconnect, for the transmission and routing of telephone exchange service and exchange access service at each ATU wire center, through the use of standard inter-office trunking.
 - (ii) Reciprocal Compensation. Compensation arrangement between GCICC and ATU for the exchange of telecommunications services on a mutual and reciprocal basis. See Exhibit B.

(b) Resale Connection.

- (i) Resale interconnection. The provision to GCICC at wholesale rates of telecommunications services that ATU provides at retail to subscribers who are not telecommunications carriers and that GCICC may resell to subscribers. See Exhibit C.
- (ii) Provisioning interconnection. GCICC/ATU customer provisioning, billing and servicing standards. See Exhibit D.

(c) Unbundled Network Element interconnections.

- (i) Unbundled Loop Interconnection. GCICC's access to the transmission path which provides the connection between an end-user's premises and the central office subscriber main distributing frame (or its equivalent). See Exhibit E.
 - (ii) Unbundled Transport interconnection. GCICC's access to the physical facilities used to connect points on telecommunications networks. See Exhibit F.
 - (iii) Unbundled Switching interconnection. GCICC's access to the local switching and local tandem switching residing in a central office switch and/or remote switching. See Exhibit G.
 - (iv) Unbundled Directory Assistance interconnection. GCICC's access to the necessary data bases, and data (including subscriber list information) used to perform directory services. See Exhibit H.
 - (v) Unbundled Operations Support interconnection. GCICC's access to the systems, including the necessary hardware, software and databases, used in the ordering, provisioning, maintenance, testing, billing, and updating of other network databases. See Exhibit I.
- (d) Right-of-Way Access. GCICC's access to the poles, ducts, conduits, and rights-of-way of ATU. See Exhibit J.
- (e) Collocation. GCICC's access for the physical placement of GCICC equipment necessary for interconnection or access to unbundled network elements at the premises of ATU and/or virtual collocation where ATU demonstrates that physical collocation is not practical for technical reasons or due to space limitations. See Exhibit K.

- (f) Number portability. Provides local subscribers with the ability to change local service providers without changing their telephone numbers. See Exhibit L.
- (g) Dialing parity. Permits GCICC with nondiscriminatory access to all local and other Service Codes and local and long distance NPAs and NXXs, with no unreasonable dialing delays. See Exhibit M.
- (h) Notice of changes. ATU shall provide GCICC with notice regarding any network change that will affect GCICC's performance or ability to provide service or will affect ATU's interoperability with other service providers. Such notice shall be given to the public, including GCICC, pursuant to the Regulations contained at 47 C.F.R. 51.325-335, and to GCICC individually at regularly scheduled meetings between designated engineering representatives of the parties. ATU shall give notice to GCICC of its initial election of methods under 47 C.F.R. 51.329(a) and of any changes in such method.

III. Rates and Charges

- (a) Interconnection and Reciprocal Compensation.
 - (i) Interconnection. Charges for interconnection shall be at the rates set for unbundled transport, in subsection ii, below.
 - (ii) Reciprocal Compensation. \$0.006595 per minute (plus transport).
- (b) Resale Connection.
 - (i) Wholesale discount.

(A) January 1, 1997- December 31, 1997	8.7%
(B) January 1, 1998- December 31, 1998	17.4%
(C) January 1, 1999- December 31, 1999	26.1%
 - (ii) Provisioning interconnection. \$10.00
- (c) Unbundled Network Element interconnection rates:
 - (i) Unbundled Loop interconnection. \$13.85 per month,

unbundled two-wire loop

(ii) Unbundled Transport interconnection. See Exhibit N.

(iii) Unbundled Switching Interconnection.

(A) Local switching.

(1) \$0.006595 per originating minute.

(2) Line port charges (card and slot):

Res/Bus Simple	\$4.27
Business Complex	\$5.07
Centrex	\$5.07
ISDN	\$13.02

(B) Local tandem switching. \$0.004712 per minute (plus associated transport).

(iv) Unbundled Directory Assistance interconnection:

(A) First number (batch). \$41.0600

(B) Subsequent numbers (batch). \$0.0870

(v) Unbundled Operations Support interconnection. Actual electronic interface access to ATU's operations support systems (i.e. fax/printer or display/printer connectivity) shall be at the rates set for unbundled transport, in subsection ii, above.

(d) Right-of-Way Access Rates: Charges for right-of-way access shall initially be set at those contained in the current agreements between ATU and Municipal Light and Power and Chugach Electric Association.

(e) Collocation Rates (see Exhibit K):

(i) Space, per square foot: \$5.00 per month.

(ii) Power, per 15 amp unit: \$71.00 per month.

(f) Number portability rates (see Exhibit M): \$3.00 per ported number/market share.